



REDACTED

From: Melissa Gastgaber <melissag@salander.com>
Date: September 21, 2006 3:17:56 PM EDT
To: "JOSEPH CARROLL, LTD" <carroll@alum.mit.edu>
Subject: From Larry

Dear Joe,

We have been doing business for a long time – I don't understand why it is that you are putting a legal issue that is irrelevant when it comes to my word to you. I have both the Philadelphia Museum coming back for the second time to look at the pictures and the other museum people for the fourth or fifth time on Friday. Joe – I have to ask you a favor – please don't make me look like a fool over this. I am certain that your reasons are valid and promise to personally intercede to get this done correctly for the next time. At this point even if you do not wish to sell them I would need to show the work if only to save face. The irony is, Joe, that I know I can do something here that would be good for you. Sure I'll make some money but that was never the point. It is simply good business in long term relationships to facilitate a level of confidence in you that is the result of tangible proof. A profit or great exchange to you worth much more than you paid for the art. Anyway, let's leave it as a favor I am asking at this point which I will make up to you. If you can end up with that Prendergast in exchange for some combination of the paintings I asked you to send here it would be a great opportunity to make some dough or have an asset that is much more liquid. Please give me a call as I consider us friends and thus count on mutual respect.

Best,
Larry

William H. Greilsheimer

From: Joseph P. Carroll [carroll@alum.mit.edu]
Sent: Wednesday, September 20, 2006 1:08 AM
To: Melissa Gastgaber
Cc: ROB WEISS; William H. Greilsheimer
Subject: The devil is in the details.

Larry,

1. We have:
 - a. First Republic's releases for 54 items purchased this year; and b. First Republic's draft of how to make an immediate consignment.
2. Your lawyer and mine are finalizing an immediate consignment agreement with First Republic and working out how First Republic wants future consignments to be made. While cumbersome and legalistic, this is reasonably straightforward, but in practical terms, it means that absolutely nothing gets done in less than two days!!! Crazy? Yes - but they best is yet to come!
3. I assume your lawyer has already informed you that First Republic wants to be able to approve all your future "merchant" - none normal course sales!!! And First Republic is using you as their advertising small business poster boy!

Please accept my heart felt apology for screaming at you today. I know you also find all of this very disturbing.

Warm regards

REDACTED

-----Original Message-----

From: ROB WEISS [mailto:RWEISS@mclaughlinstern.com]
Sent: Tuesday, September 19, 2006 12:48 PM
To: whg@greils.com
Subject: Fwd: Re: artwork to be delivered By Carroll today.

Bill- the additional information needed is the media, size and, if available, the date
>>> Melissa Gastgaber <melissag@salander.com> 9/19/2006 11:59 AM >>>
The following are all Stuart Davis paintings;

Early paintings

1. Graveyard Dunes
2. Brick Gas Tank
3. Airview
4. Abstraction 1922-23

Black and White

1. Untitled (Variations on Pochade)
2. Untitled (Variations on Pochade)

Other

1. Standard Brand #2

On 9/19/06 11:50 AM, "ROB WEISS" <RWEISS@mclaughlinstern.com> wrote:

> Please send me a list of the pieces to be delivered by Carroll today
so
> I can get the Bank's sign -off on these pieces.
>
> ======
> McLaughlin & Stern, LLP
> 260 Madison Avenue
> New York, New York 10016
> Tel: 212-448-1100
> Fax: 800-856-5284

> E-Mail: rweiss@mclaughlinstern.com
> Web Site: www.mclaughlinstern.com
> =====
> This transmission (and/or the documents accompanying it) may contain
> confidential information belonging to the sender which is protected
by
> the attorney-client privilege. The information is intended only for
the
> use of the individual or entity named above. If you are not the
> intended recipient, you are hereby notified that any disclosure,
copying
> distribution or the taking of any action in reliance on the contents
of
> this information is strictly prohibited. If you have received this
> transmission in error, please immediately notify us by telephone and
> destroy the documents.
>
> Pursuant to U.S. Treasury Department regulations, we hereby inform
you
> that any federal tax advice contained in this communication (and any
> documents accompanying it) was not intended or written to be used,
and
> it cannot be used, for the purpose of (i) avoiding penalties that may
be
> imposed under the Internal Revenue Code or (ii) promoting, marketing
or
> recommending to another party any transaction or matter addressed
herein.
>
>

Melissa Gastgaber
Assistant to Larry Salander
Salander O'Reilly Galleries
22 East 71st Street
New York, NY 10021
212-879-6606
212-400-4488 (fax)
melissag@salander.com

www.salander.com

=====

McLaughlin & Stern, LLP
260 Madison Avenue
New York, New York 10016
Tel: 212-448-1100
Fax: 800-856-5284

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William H. Greilsheimer

From: William H. Greilsheimer [whg@greils.com]
Sent: Tuesday, September 12, 2006 11:32 AM
To: 'ROB WEISS'
Subject: FW: Salander-O'Reilly Galleries LLC ("SOR"): UCC1 Releases

Attachments: SOR-Schedule A_40.doc; ATT00004.txt; SOR-Schedule B_10.doc; ATT00007.txt

   
 SOR-Schedule A_40.doc (49 KB)... ATT00004.txt (97 B) SOR-Schedule B_10.doc (60 KB)... ATT00007.txt (103 B)

I am forwarding an email from Carroll sent yesterday with the list of the 50 works. We need a letter from the bank stating that Carroll's acquisition of these works is free and clear of any lien or other encumbrance of the bank.

-----Original Message-----

From: Joseph P. Carroll [mailto:carroll@alum.mit.edu]
 Sent: Monday, September 11, 2006 7:32 PM
 To: William H. Greilsheimer
 Subject: Salander-O'Reilly Galleries LLC ("SOR"): UCC1 Releases

Dear Bill,

Please find enclosed - Schedule A - a list of the forty (40) works of art I have purchased from SOR in eight (8) transactions over the January 1 - September 10, 2006 period.

Please also find enclosed - Schedule B - a list of the ten (10) works of art I have purchased from SOR today for \$550,000 paid by bank-to- bank transfer to First Republic Bank.

Warm regards

E-Mail: rweiss@mclaughlinstern.com
Web Site: www.mclaughlinstern.com

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Schedule A (40)

Milton Avery

Conversation on the Rocks, 1944 - SOR# 26490
Gouache and watercolor on paper, 21 1/4 x 29 3/4 in.

Morning Workout, 1955 - SOR# 26489
Gouache and watercolor on paper, 22 3/4 x 30 7/8 in.

PALM MOON (STARRY NIGHT), 1959 - SOR# 26491
Oil on canvas board, 16 1/8 x 20 in.

Patrick Henry Bruce, 1881-1936

LANDSCAPE, 1910 - SOR# 19616
Oil on canvas, 24 x 18 1/4 in.

LANDSCAPE NEAR SAINTES, c. Summer 1911 - SOR# 19914
Oil on canvas, 21 1/2 x 18 in.

OLD GATE NEAR SAINTES, c. 1911 - SOR# 19916
Oil on canvas, 24 1/8 X 18 1/8 in.

Ralston Crawford, 1906-1978

BOX CAR, 1941 - SOR#25516, Oil on canvas, 16 x 22 in.

STILL LIFE ON DOUGH TABLE, 1932 - SOR#18753
Oil on canvas,, 20 X 18 in.

LIFEBOAT DAVIT, 1940 - SOR#18787
Oil on canvas, 40 1/8 X 32 1/8 in.

SHIP'S BOW c. 1938 - SOR#18785
Oil on canvas, 30 X 26 in.

UNTITLED BLUE AND WHITE, 1950 - SOR#20099
Oil on canvas, 25 1/8 X 20 1/8 in.

TURBINE SHAFTS, COULEE DAM 1970 - SOR#18922
Oil on canvas, 22 X 16 in.

Stuart Davis, 1892-1964

TEN POUND ISLAND, 1917 - SOR #5204
Oil on canvas, 23 x 19 in.

TOBACCO FIELDS, TIoga, PA, 1919 - SOR#5316
Oil on canvas, 23 3/4 x 29 3/4 in.

ABSTRACTION, c.1922-1923 - SOR#3345
Oil on canvas, 32 x 22 in.

STUDY FOR MATCHES, 1927 - SOR#4554
Pencil on paper, 18 1/4 x 15 1/2 in.

STUDY FOR PERCOLATOR, 1927 - SOR#4631
Pencil on paper, 18 1/2 x 14 3/4 in.

STUDY FOR EGG BEATER No. 1, 1927 - SOR#24841
Pencil on paper, 14 3/8 x 18 in.

DRAWING FOR TOWN SQUARE, c.1940 - SOR#10834
Ink on paper, 24 1/2 x 30 1/2 in.

GRAVEYARD ON THE DUNES-PROVINCETOWN, 1913 - SOR#5316
Oil on canvas, 38 X 30 1/4 in.

DRAWING FOR PENNSYLVANIA, c. 1946 - SOR#4501
Pencil on paper, 16 1/2 x 14 3/4 in.

RYTHM (sic), 1947 - SOR#4555
Pencil on paper, 11 1/4 x 14 1/2 in.

Black and White Variation on Pochade I (Elite #6), c.1956-58 - SOR#3346
Casein on canvas, 45 x 56 in.
(Salander-O'Reilly Stuart Davis BLACK AND WHITE catalogue plate seven {#6})

Black and White Variation on Pochade II (Elite #7), c.1956/1958 - SOR#25091
Casein on canvas, 45 x 56 in.
(Salander-O'Reilly Stuart Davis BLACK AND WHITE catalogue plate seven {#7})

Suzy Frelinghuysen, 1911- 1988
CUBIST STILL LIFE, c. 1945 - SOR#13243
Oil and collage on board, 9 x 13 in.

WHITE OVAL, 1949 - SOR#25083
Oil on canvas laid down on board, 43 x 34 in.

UNTITLED, c.1950's - SOR#21897
Mixed media on board, 28 3/4 X 13 1/4 in.

Arnold Friedman

Landscape With Trees, c. 1942-1946 - SOR#14619
Oil on canvas, 24 x 20 in. in.

Tree Stumps, c. 1944-1945 - SOR#4586
Oil on canvas, 25 x 30 in.

Roger Elliot Fry, 1866 - 1934, STILL LIFE WITH SKULL - SOR #A024401
Watercolor on paper, 10 1/2 x 13 1/2 inches

Paul Kelpe, 1902-1985, COMPOSITION #127, 1927 - SOR#25846
Oil on canvas, 19 7/8 x 35 1/2 in.

Edward Middleton Manigault, 1887-1922, ABSTRACT IN GREEN, 1918 - SOR#7383
Oil on canvas, 30 x 25 inches

Alfred Henry Maurer, 1868 - 1932

Still Life with Pears, c. 1925 SOR#26327
Oil on board, 21 x 17 1/2 in., Signed lower left: "A. H. Maurer"

CUBIST STILL LIFE, c. 1928/ 1930 - SOR#26328
Oil on board, 21 x 17 1/2 in., Signed lower left: "A. H. Maurer"

George L.K. Morris, 1905-1975

CONCRETION, 1938 - SOR#12202
Oil on canvas, 20 x 14 in.

UNTITLED, c. 1937 - SOR#21883
Oil on board, 15 3/4 x 11 3/4 in.

GROUND-TENSION, 1948 - SOR#12212
Oil with sand on canvas, 28 x 19 in.

Centrifugal Composition, 1958 - SOR #12067
Gouache and collage, 15 3/4 x 20 in.

Morgan Russell, 1886-1953, DOUBLE-SIDED PAINTING - SOR#A023759
recto: PORTRAIT OF CEZANNE C. 1912, Oil on board, 15 3/3 x 13 7/8 in.
verso: Still Life c 1912

John Sloan, 1871-1951 - SOR#24919

NEW ENGLAND LANDSCAPE, c. 1915, Oil on canvas, 20 x 24 inches

Schedule B (10)

Willem de Kooning, 1904 - 1997 (SOR #24868)
UNTITLED (ABSTRACT STILL LIFE), c. 1928
Oil on canvas, 18 x 24 in.

Willem de Kooning, 1904 - 1997 (SOR #23564)
UNTITLED, 1957
Pastel and paper collage, 13 x 15 ¾ in.

Alfred H. Maurer, 1868 - 1932 (SOR #20296)
HEAD IN WINDOW, c. 1928 - 1932
Oil on gesso board, 21 ¾ x 18 in.

Elie Nadelman, 1882 - 1946 (SOR #26484)
HEAD OF MAN, c. 1905 - 1910
White marble, 15 ½ x 11 ¼ x 11 ¾ in.

Elie Nadelman, 1882 - 1946 (SOR #12870)
FEMALE HEAD, c. 1908 - 1909
White marble, 14 ¼ x 9 ½ x 12 ¼ in.

Elie Nadelman, 1882 - 1946 (SOR #12866)
FEMALE HEAD (YOKE), c. 1908
White marble, 15 ½ x 11 ¼ x 11 ¾ in.

David Park, 1911 - 1960 (SOR #26398)
UNTITLED, 1948 - 1949
Oil on canvas, 30 1/8 x 22 1/8 in.

David Park, 1911 - 1960 (SOR #27243)
NUDE WITH STRIPED RUG, 1956
Gouache and pastel on paper, 16 ½ x 13 ¾ in.

David Park, 1911 - 1960 (SOR #2053)
STUDY (LANDSCAPE), 1958
Magic marker on paper, 8 ½ x 11 in.

David Park, 1911 - 1960 (SOR #)
TWO FIGURES, 1958
Ink wash on paper, 14 x 17 in.

William H. Greilsheimer

From: Joseph P. Carroll [carroll@alum.mit.edu]
Sent: Tuesday, September 12, 2006 11:15 PM
To: Melissa Gastgaber
Cc: ROB WEISS; William H. Greilsheimer
Subject: Re: From Larry Salander

Dear Larry,

Re. your note, at the risk of being too real, while I am willing to pay you \$550,00 WITHOUT having received ANY art or ANY documentation - this is the way that both you and I are willing to do business with each other - you should appreciate that YOUR lawyer and YOUR bank still have not:

1. Confirmed that I have full and free title to the 50 works I have purchased from you this year; and
2. Agreed to any process whereby I can consign these and other works of art to you free from YOUR security agreement with YOUR bank.

As I asked YOUR lawyer, is He and YOUR bank really trying to put YOU out of business on purpose?

Warm regards

The Honorable Joseph P. Carroll
200 East 66 Street, D-1905
New York, NY 10021-9190
Tel (NY-O): 212-688-1494
Tel (NY-M): 212-203-7346
e-mail: carroll@alum.mit.edu

On Sep 12, 2006, at 1:35 PM, Melissa Gastgaber wrote:

Dear Joe,

Below are listed the works I would like to have here – please call me when it is convenient to retrieve them.

Early paintings

1. Graveyard Dunes
2. Brick Gas Tank
3. Airview
4. Abstraction 1922-23

Black and White

1. Untitled (Variations on Pochade)
2. Untitled (Variations on Pochade)

Other

C108

9/13/2006

1. Standard Brand #2

Thank you Joe. I will call you in the morning if I don't hear from you today.

Best,
Larry

FIRST REPUBLIC BANK
56 MASON STREET
GREENWICH, CT 06830
(203) 422-0818
FAX (203) 422-0828

FACSIMILE TRANSMITTAL SHEET

TO:	Harry Selander	FROM:	Laura Selander
	Bob Weiss		
COMPANY:	Selander O'Kelly Galleries	DATE:	9/14/06
	McLaughlin Skorn		
FAX NUMBER:	212-744-0655	TOTAL NO. OF PAGES INCLUDING COVER:	7
	800-866-5084		
PHONE NUMBER:		SENDER'S REFERENCE NUMBER:	
RE:	YOUR REFERENCE NUMBER:		
 <input type="checkbox"/> URGENT <input type="checkbox"/> FOR REVIEW <input type="checkbox"/> PLEASE COMMENT <input type="checkbox"/> PLEASE REPLY <input type="checkbox"/> PLEASE RECYCLE			



FIRST REPUBLIC BANK
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September 14, 2006

Joseph P. Carroll, Ltd.
c/o Joseph P. Carroll
200 East 66th Street, D-1905
New York, NY 10021-9190

Attention: Joseph P. Carroll, President

Re: Salander-O'Reilly Galleries, LLC

Gentlemen:

I am writing to you at the request of Salander-O'Reilly Galleries, LLC ("Salander") regarding your purchases of the specific items of artwork listed on Schedule A attached hereto (the "Artwork") from Salander. As you know, First Republic Bank (the "Bank") holds a perfected security interest in all assets of Salander (the "Security Interest"). The Bank agrees that you hold the Artwork free and clear of the Security Interest and any and all liens therein in favor of the Bank and, if and to the extent necessary, releases its Security Interest in the Artwork. Nothing contained herein shall release, terminate, limit or otherwise affect any Security Interest granted by Salander to the Bank with respect to any asset other than the Artwork.

Very truly yours,

First Republic Bank

By: Laura DePersis
Laura DePersis
Managing Director

cc: Salander-O'Reilly Galleries, LLC

C121

San Francisco Los Angeles Santa Barbara Newport Beach San Diego Las Vegas New York

1230 AVENUE OF THE AMERICAS, NEW YORK, NEW YORK 10020, TEL (212) 459-9000 OR (877) 486-6700, FAX (212) 459-3600
320 PARK AVENUE, NEW YORK, NEW YORK 10022, TEL (212) 486-6700 OR (877) 486-6700, FAX (646) 282-3488
10 COLUMBUS CIRCLE, NEW YORK, NEW YORK 10019, TEL (212) 331-0088 OR (866) 309-8080, FAX (212) 331-0087
56 MASON STREET, GREENWICH, CONNECTICUT 06830, TEL (203) 422-0818, FAX (203) 422-0828

CONVENIENT INTERNET BANKING AT www.firstrepublic.com • NEW YORK STOCK EXCHANGE SYMBOL: FRC • MEMBER FDIC

Schedule A

Milton Avery

Conversation on the Rocks, 1944 - SOR# 26490
Gouache and watercolor on paper, 21 1/4 x 29 3/4 in.

Morning Workout, 1955 - SOR# 26489

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Oil on canvas,, 20 X 18 in.

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Oil on canvas, 38 X 30 1/4 in.

DRAWING FOR PENNSYLVANIA, c. 1946 - SOR#4501
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UNTITLED, c.1950's - SOR#21897
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Gouache and collage, 15 3/4 x 20 in.

Morgan Russell, 1886-1953, DOUBLE-SIDED PAINTING - SOR#A023759

recto: PORTRAIT OF CEZANNE C. 1912, Oil on board, 15 3/3 x 13 7/8 in.

verso: Still Life c 1912

John Sloan, 1871-1951 - SOR#24919
NEW ENGLAND LANDSCAPE, c. 1915, Oil on canvas, 20 x 24 inches



FIRST REPUBLIC BANK
It's a privilege to serve you®

September 19, 2006

Joseph P. Carroll, Ltd.
200 East 66th Street, D-1905
New York, NY 10021-9190

Attention: Joseph P. Carroll, President

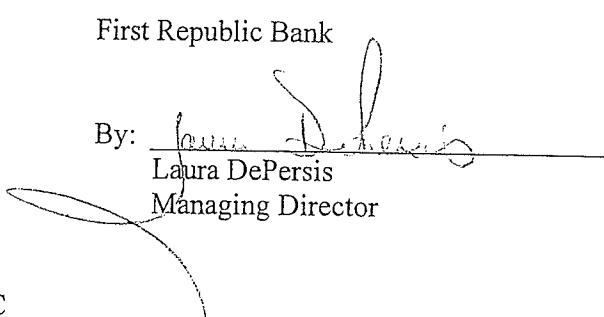
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Very truly yours,

First Republic Bank

By: 
Laura DePersis
Managing Director

cc: Salander-O'Reilly Galleries, LLC

C127

San Francisco 35389 v.01 Los Angeles Santa Barbara Newport Beach San Diego Las Vegas New York

1230 AVENUE OF THE AMERICAS, NEW YORK, NEW YORK 10020, TEL (212) 459-9000 OR (877) 486-6700, FAX (212) 259-3665
CONVENIENT INTERNET BANKING AT www.firstrepublic.com • NEW YORK STOCK EXCHANGE SYMBOL: FRC • MEMBER FDIC

Schedule A

Stuart Davis, 1892-1964

Standard Brand No. 2, 1961-1962 - SOR#11263
Gouache on paper, 12 1/3 x 10 in

Art Digest Cover, 1953 - SOR#10832
Gouache on paper, 18 x 12 3/4 in

Pad Series No. 1 - SOR#11716
Pencil on paper, 19 1/2 x 34 1/2 in

Pad Series No. 3 - SOR#4542
Pencil on paper, 20 1/4 x 32 1/4 in.

09/14/2006 17:20 203-422-0828

1ST REPUBLIC BANK

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FIRST REPUBLIC BANK
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September 14, 2006

Joseph P. Carroll, Ltd.
c/o Joseph P. Carroll
200 East 66th Street, D-1905
New York, NY 10021-9190

Attention: Joseph P. Carroll, President

Re: Salander-O'Reilly Galleries, LLC

Gentlemen:

I am writing to you at the request of Salander-O'Reilly Galleries, LLC ("Salander") regarding your purchases of the specific items of artwork listed on Schedule A attached hereto (the "Artwork") from Salander. As you know, First Republic Bank (the "Bank") holds a perfected security interest in all assets of Salander (the "Security Interest"). The Bank agrees that you hold the Artwork free and clear of the Security Interest and any and all liens therein in favor of the Bank and, if and to the extent necessary, releases its Security Interest in the Artwork. Nothing contained herein shall release, terminate, limit or otherwise affect any Security Interest granted by Salander to the Bank with respect to any asset other than the Artwork.

Very truly yours,

First Republic Bank

By: Laura DePersis
Laura DePersis
Managing Director

Thomas Eimbhardt
V.P.

cc: Salander-O'Reilly Galleries, LLC

C129

San Francisco Los Angeles Santa Barbara Newport Beach San Diego Las Vegas New York

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Schedule A

Milton Avery

Conversation on the Rocks, 1944 - SOR# 26490
Gouache and watercolor on paper, 21 1/4 x 29 3/4 in.

Morning Workout, 1955 - SOR# 26489
Gouache and watercolor on paper, 22 3/4 x 30 7/8 in.

PALM MOON (STARRY NIGHT), 1959 - SOR# 26491
Oil on canvas board, 16 1/8 x 20 in.

Patrick Henry Bruce, 1881-1936

LANDSCAPE, 1910 - SOR# 19616
Oil on canvas, 24 x 18 1/4 in.

LANDSCAPE NEAR SAINTES, c. Summer 1911 - SOR# 19914
Oil on canvas, 21 1/2 x 18 in.

OLD GATE NEAR SAINTES, c. 1911 - SOR# 19916
Oil on canvas, 24 1/8 X 18 1/8 in.

Ralston Crawford, 1906-1978

BOX CAR, 1941 - SOR#25516, Oil on canvas, 16 x 22 in.

STILL LIFE ON DOUGH TABLE, 1932 - SOR#18753
Oil on canvas,, 20 X 18 in.

LIFEBOAT DAVIT, 1940 - SOR#18787
Oil on canvas, 40 1/8 X 32 1/8 in.

SHIP'S BOW c. 1938 - SOR#18785
Oil on canvas, 30 X 26 in.

UNTITLED BLUE AND WHITE, 1950 - SOR#20099
Oil on canvas, 25 1/8 X 20 1/8 in.

TURBINE SHAFTS, COULEE DAM 1970 - SOR#18922
Oil on canvas, 22 X 16 in.

Stuart Davis, 1892-1964

TEN POUND ISLAND, 1917 - SOR #5204
Oil on canvas, 23 x 19 in.

TOBACCO FIELDS, TIoga, PA, 1919 - SOR#5316
Oil on canvas, 23 3/4 x 29 3/4 in.

ABSTRACTION, c.1922-1923 - SOR#3345
Oil on canvas, 32 x 22 in.

STUDY FOR MATCHES, 1927 - SOR#4554
Pencil on paper, 18 1/4 x 15 1/2 in.

STUDY FOR PERCOLATOR, 1927 - SOR#4631
Pencil on paper, 18 1/2 x 14 1/4 in.

STUDY FOR EGG BEATER No. 1, 1927 - SOR#24841
Pencil on paper, 14 3/8 x 18 in.

DRAWING FOR TOWN SQUARE, c.1940 - SOR#10834
Ink on paper, 24 1/2 x 30 1/2 in.

GRAVEYARD ON THE DUNES-PROVINCETOWN, 1913 - SOR#5316
Oil on canvas, 38 X 30 1/4 in.

DRAWING FOR PENNSYLVANIA, c. 1946 - SOR#4501
Pencil on paper, 16 1/2 x 14 1/4 in.

RVTHM (sic), 1947 - SOR#4555
Pencil on paper, 11 1/4 x 14 1/2 in.

Black and White Variation on Pochade I (Elite #6), c.1956-58 - SOR#3346
Casein on canvas, 45 x 56 in.
(Salander-O'Reilly Stuart Davis BLACK AND WHITE catalogue plate seven {#6})

Black and White Variation on Pochade II (Elite #7), c.1956/1958 - SOR#25091
Casein on canvas, 45 x 56 in.
(Salander-O'Reilly Stuart Davis BLACK AND WHITE catalogue plate seven {#7})

Suzy Frelinghuysen, 1911- 1988
CUBIST STILL LIFE, c. 1945 - SOR#13243
Oil and collage on board, 9 x 13 in.

WHITE OVAL, 1949 - SOR#25083
Oil on canvas laid down on board, 43 x 34 in.

UNTITLED, C.1950's - SOR#21897
Mixed media on board, 28 3/4 X 13 1/4 in.

Willem de Kooning, 1904 - 1997 (SOR #24868)
UNTITLED (ABSTRACT STILL LIFE), c. 1928
Oil ON canvas, 18 x 24 in.

Willem de Kooning, 1904 - 1997 (SOR #23564)
Untitled, 1957
Pastel and paper collage, 13 x 15 1/4 in.

Alfred H. Maurer, 1868 - 1932 (SOR #20296)
Head IN WINDOW, c. 1928 - 1932
Oil on gesso board, 21 1/4 x 18 in.

Elie Nadelman, 1882 - 1946 (SOR #26484)
HEAD OF MAN, c. 1905 - 1910
White marble, 15 1/2 x 11 1/4 x 11 3/4 in.

Elie Nadelman, 1882 - 1946 (SOR #12870)
FEMALE HEAD, c. 1908 - 1909
White marble, 14 1/4 x 9 1/2 x 12 1/4 in.

Elie Nadelman, 1882 - 1946 (SOR #12866)
FEMALE HEAD (YOKE), c. 1908
White marble, 15 1/2 x 11 1/4 x 11 3/4 in.

David Park, 1911 - 1960 (SOR #26398)
UNTITLED, 1948 - 1949
Oil on canvas, 30 1/8 x 22 1/8 in.

David Park, 1911 - 1960 (SOR #27243)
NUDE WITH STRIPED RUG, 1956
Gouache and pastel on paper, 16 1/2 x 13 1/2 in.

David Park, 1911 - 1960 (SOR #2053)
STUDY (LANDSCAPE), 1958
Magic marker on paper, 8 1/2 x 11 in.

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David Park, 1911 - 1960 (SOR #)

TWO FIGURES, 1958

Ink wash on paper, 14 x 17 in.

Arnold Friedman

Landscape With Trees, c. 1942-1946 - SOR#14619

Oil on canvas, 24 x 20 in. in.

Tree Stumps, c. 1944-1945 - SOR#4586

Oil on canvas, 25 x 30 in.

Roger Elliot Fry, 1866 - 1934, STILL LIFE WITH SKULL - SOR #A024401

Watercolor on paper, 10 1/2 x 13 1/2 inches

Paul Kelpe, 1902-1985, COMPOSITION #127, 1927 - SOR#25846

Oil on canvas, 19 7/8 x 35 1/2 in.

Edward Middleton Manigault, 1887-1922, ABSTRACT IN GREEN, 1918 - SOR#7383

Oil on canvas, 30 x 25 inches

Alfred Henry Maurer, 1868 - 1932

Still Life with Pears, c. 1925 SOR#26327

Oil on board, 21 x 17 1/2 in., Signed lower left: "A. H. Maurer"

CUBIST STILL LIFE, c. 1928/ 1930 - SOR#26328

Oil on board, 21 x 17 1/2 in., Signed lower left: "A. H. Maurer"

George L.K. Morris, 1905-1975

CONCRETION, 1938 - SOR#12202

Oil on canvas, 20 x 14 in.

UNTITLED, c. 1937 - SOR#21883

Oil on board, 15 3/4 x 11 3/4 in.

GROUND-TENSION, 1948 - SOR#12212

Oil with sand on canvas, 28 x 19 in.

Centrifugal Composition, 1958 - SOR #12067

Gouache and collage, 15 3/4 x 20 in.

Morgan Russell, 1886-1953, DOUBLE-SIDED PAINTING - SOR#A023759

recto: PORTRAIT OF CEZANNE C. 1912, Oil on board, 15 3/3 x 13 7/8 in.

C133

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verso: Still Life c 1912

John Sloan, 1871-1951 - SOR#24919
NEW ENGLAND LANDSCAPE, c. 1915, Oil on canvas, 20 x 24 inches

FIRST REPUBLIC BANK
56 MASON STREET
GREENWICH, CT 06830
(203) 422-0818
FAX (203) 422-0828

800-856
5284

FACSIMILE TRANSMITTAL SHEET

TO: *Larry / Bob Weiss / Lawyer* FROM: *Lauren D.*

COMPANY:

DATE:

FAX NUMBER:

TOTAL NO. OF PAGES INCLUDING COVER:

PHONE NUMBER:

SENDER'S REFERENCE NUMBER:

RE:

YOUR REFERENCE NUMBER:

URGENT FOR REVIEW PLEASE COMMENT PLEASE REPLY PLEASE RECYCLE

From : Melissa

FIRST REPUBLIC BANK
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September 20, 2006

Joseph P. Carroll, Ltd.
c/o Joseph P. Carroll, President
200 East 66th Street, D-1905
New York, NY 10021-9190

Re: Salander-O'Reilly Galleries, LLC

Gentlemen:

I am writing to you at the request of Salander-O'Reilly Galleries, LLC ("Salander") regarding your consignment of artwork to Salander. Subject to the conditions described below and your and Salander's execution hereof, the Bank agrees as follows:

1. By executing this letter agreement Joseph P. Carroll, Ltd. ("Carroll") and Salander represent and warrant to the Bank that (a) the items of artwork listed on the attached UCC Financing Statement Amendment (Filing Number: 200609200759289) (the "UCC Amendment") are currently or about to be consigned by Carroll to Salander or loaned by Carroll to Salander for exhibition only and not to be sold without Carroll's written consent; (b) the UCC Amendment has been filed with the New York Secretary of State.

2. Based upon and subject to the accuracy of the representations and warranties contained in Paragraph 1 above, the Bank hereby subordinates the security interest granted by Salander to the Bank in the specific items of artwork listed on the UCC Amendment, if any, to the interest of Carroll in such listed artwork and agrees that such interest of Carroll in such listed artwork and the proceeds thereof shall be senior and prior in right to such security interest in favor of the Bank in such listed artwork and the proceeds thereof.

If the terms of this letter are acceptable to you and you agree to be bound by them, please so indicate by signing the enclosed copy of this letter, having such copy executed by Salander and returning it to the undersigned. This letter agreement shall not become effective unless it is

San Francisco Los Angeles Santa Barbara Newport Beach San Diego Las Vegas New York

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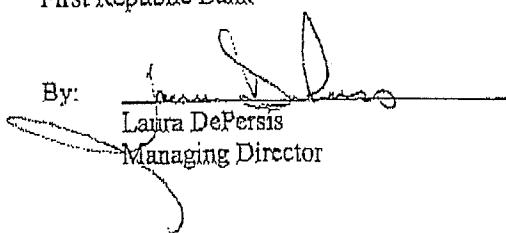
Joseph P. Carroll, Ltd.
September 20, 2006
Page 2

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signed by Carroll and Salander and returned to the Bank by facsimile to (212) 259-3678, to be received no later than September 21, 2006 (with the original to follow by mail). This letter supersedes my letters to you of yesterday.

Very truly yours,

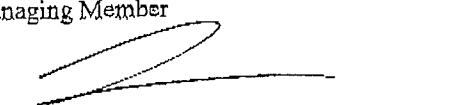
First Republic Bank

By: 
Laura DePersis
Managing Director

Accepted and Agreed to.

SALANDER-O'REILLY GALLERIES, LLC

By: L. Salander LLC
Its Managing Member

By: 
Lawrence B. Salander
Its Manager

JOSEPH P. CARROLL, LTD.

By: 
Joseph P. Carroll
Its President

cc: Salander-O'Reilly Galleries, LLC

San Francisco *Los Angeles* *Tampa* *Bonita* *Newport Beach* *San Diego* *Las Vegas* *New York*

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1331 182 3rd floor COLUMBUS CIRCLE, NEW YORK, NEW YORK 10019, TEL (212) 331-0088 OR (866) 309-8080, FAX (212) 331-0087

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SALANDER-O'REILLY, INC.

PAGE 04/07

1ST REPUBLIC BANK

SCHEDULE 1John Covert, 1882-1960**KABUKI TETRAD, c. 1916**

- KABUKI DANCERS I/IV
- KABUKI DANCERS II/IV
- KABUKI DANCERS III/IV
- KABUKI DANCERS IV/IV

Four-panel painting, Oil on burlap, each panel: 65½ x 17¾ in.

Stuart Davis, 1892-1964**GRAVEYARD ON THE DUNES – PROVINCETOWN, 1913**

38 x 30½ in.

Oil on canvas

BRICK GAS TANK, 1916

23¼ x 19⅓ in.

Oil on canvas

AIRVIEW, c. 1916

30½ x 24¼ in.

Oil on canvas

ABSTRACTION 1922-23, c. 1922-23

32 x 22 in.

Oil on canvas

Untitled (Black and White Variation on Pochade), c. 1958-64

45 x 56 in.

Casein on canvas

Untitled (Black and White Variation on Pochade), c. 1958-64

45 x 56 in.

Casein on canvas

STANDARD BRAND #2, 1960-61

12⅓ x 10 in.

Casein on canvas

09/21/2006 11:46 203-422-0828

SALANDER-O'REILLY

PAGE 85/87

1ST REPUBLIC BANK

PAGE 85/87

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (PRINT AND TYPE) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [Optional]

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

1a. INITIAL FINANCING STATEMENT FILE #
200602100136056 02/10/20062. TERMINATION: Discontinuance of the Financing Statement identified above in terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.3. CONTINUATION: Continuation of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.4. ASSIGNMENT (DEBTOR or Creditor): Give name of assignee in Item 7a or 7b and address of assignee in Item 7c; and also give name of assigner in Item 9.6. AMENDMENT (PARTY INFORMATION): This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in Item 8 and/or 7.

 CREDITOR'S name and/or address: Please refer to the detailed instructions DELETE name: Give record name
to be deleted in Item 8 or 7b. ADD name: Complete Item 7a & 7c, and check Item 7d:
a new credit record (Item 7a & 7b) is applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME

OR	7a. INDIVIDUAL'S LAST NAME SALANDER	FIRST NAME LAWRENCE	MIDDLE NAME B.	SUFFIX
----	---	-------------------------------	--------------------------	--------

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME			
-------------------------	--	--	--

OR	7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
----	----------------------------	------------	-------------	--------

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
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7d. BEGUN/INSTRUCTIONS	ADDL INFO PR ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE
------------------------	--	--------------------------	----------------------------------	--

8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Delete collateral deleted or added, or give reason modified collateral description, or determine collateral assigned.

SEE ATTACHED SCHEDULE

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or there is a Termination authorized by a Debtor, check Item and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME JOSEPH P. CARROLL LTD.	FIRST NAME	MIDDLE NAME	SUFFIX
--	------------	-------------	--------

OR	9b. INDIVIDUAL'S LAST NAME		
----	----------------------------	--	--

10. OPTIONAL FILER REFERENCE DATA SOS NY	463958 565
--	-------------------

FILING OFFICE COPY — UCC FINANCING STATEMENT AMENDMENT (FORM UCC8) (REV. 09/22/02)

FILING NUMBER: 200609200759289

2006 SEP 20 AM 9:41

**CSC 50
DRAW DOWN**

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1b. This FINANCING STATEMENT AMENDMENT is to be filed for record (or recorded) in the REAL ESTATE RECORDS

325964

2006 SEP 20 AM 9:41

UCC FINANCING STATEMENT AMENDMENT ADDENDUM**FOLLOW INSTRUCTIONS (front and back) CAREFULLY**

11. INITIAL FINANCING STATEMENT FILE # (same as Item 1a on Amendment form)

200602100136056

12. NAME OF PARTY AUTHORIZING THIS AMENDMENT (same as Item 9 on Amendment form)

12a. ORGANIZATION NAME

JOSEPH P. CARROLL LTD.

OR

12b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME/SUFFIX

13. Use this space for additional information

THE ABOVE PAGE IS FOR FILING OFFICE USE ONLY

ADDITIONAL DEBTOR: SALANDER-O'REILLY GALLERIES LLC

09/21/2006 11:45 203-422-0828

1ST REPUBLIC BANK

PAGE 07/07

325964

2006 SEP 20 AM 9:41

DEBTORS:
Lawrence B. Salander
22 East 71 Street
New York NY 10021Salander-O'Reilly Galleries LLC
22 East 71 Street
New York NY 10021**SECURED PARTY:** JOSEPH P. CARROLL LTD.
c/o Joseph P. Carroll
200 East 66 Street, D-1905
New York, NY 10021-9190**COLLATERAL**

Collateral shall include the following three (3) works of art and all proceeds therefrom:

John Covert, 1882 - 1960

KABUKI TETRAD, c. 1916

- KABUKI DANCERS I/IV
- KABUKI DANCERS II/IV
- KABUKI DANCERS III/IV
- KABUKI DANCERS IV/IV

Four - panel painting, Oil on burlap, each panel: 65 1/2 x 17 3/4 in.

Stuart Davis, 1892 - 1964

BLACK AND WHITE VARIATION ON POCHADE II (ELITE #7), c.1956-1958

Casein on canvas, 45 x 56 in.

Signed with Estate stamp on top stretcher: "STUART DAVIS"

Stuart Davis, 1892 - 1964

STANDARD BRAND #2 (PAD COMPLET AND STANDARD BRAND), 1960-1961

Casein and traces of pencil on paper, 12 1/3 x 10 in.

Signed upper right within margin (in script) "STUART DAVIS"

Signed and dated under mat "STUART DAVIS/ 1960"

Signed, dated, and inscribed on verso:

"Study For Standard Brand/ Stuart Davis 1961/ Casein 10 1/8 x 13"

The Honorable Joseph P. Carroll
200 East 66 Street, D-1905
New York, NY 10021-9190
Tel (NY-O): 212-688-1494
Tel (NY-M): 212-203-7346
e-mail: carroll@alum.mit.edu

Begin forwarded message:

From: "Joseph P. Carroll" <carroll213@verizon.net>
Date: October 17, 2006 11:31:44 AM EDT
To: "William H. Greilsheimer" <whg@greils.com>
Cc: Lawrence Salander <efitzpatrick@salander.com>
Subject: New Consignment From Carroll To Salander- What does First Republic Want Us To Do?

Arshile Gorky, 1904 - 1948
The Pirate II, 1942-1943
Oil on canvas, 30 x 36 inches (76.2 x 91.4 cm)
Signed and dated upper right "a. gorky/ 43"

Begin forwarded message:

From: "Joseph P. Carroll" <carroll@alum.mit.edu>
Date: October 4, 2006 6:07:14 AM EDT
To: Melissa Gastgaber <melissag@salander.com>
Subject: Re: For Larry Salander

9:00 on Monday fine.

Joe

On Oct 3, 2006, at 3:45 PM, Melissa Gastgaber wrote:

Dear Joe,

I'd be happy to consign anything I have here to you. "The Pirate II" is no problem - "Pirate I" is out on approval for the time being. You may offer that as well, but from a transparency. I'll try to get "Leathery Leaves" - there is great interest in this painting. I will be open Columbus Day (I'm paying rent) - closed only for Yom Kippur and Christmas. How about 9am on Columbus Day?

Best,
Larry

On 10/2/06 3:35 AM, "Joseph P. Carroll" <carroll@alum.mit.edu> wrote:

C224

Dear Larry,

I'll be back in New York next Sunday, October 8th. I'd like to get together with you before you return the two consigned Stuart Davis paintings. Are you available 8:00-8:15 Monday, or is the gallery closed for Columbus Day?

I have a client who would be interested in one Gorky PIRATEs and the Hartley LEATHERY LEAVES. What if anything is possible: trade or consignment for 7-10 days?

Hope all is well.

Warm regards
Joe

Melissa Gastgaber
Assistant to Larry Salander
Salander O'Reilly Galleries
22 East 71st Street
New York, NY 10021
212-879-6606
212-400-4488 (fax)
melissag@salander.com

www.salander.com

Begin forwarded message:

From: Melissa Gastgaber <melissag@salander.com>
Date: October 3, 2006 9:45:36 AM EDT
To: "JOSEPH CARROLL, LTD" <carroll@alum.mit.edu>
Subject: Re: For Larry Salander

Dear Joe,

I'd be happy to consign anything I have here to you. "The Pirate II" is no problem - "Pirate I" is out on approval for the time being. You may offer that as well, but from a transparency. I'll try to get "Leathery Leaves" - there is great interest in this painting. I will be open Columbus Day (I'm paying rent) - closed only for Yom Kippur and Christmas. How about 9am on Columbus Day?

Best,
Larry

C225

On 10/2/06 3:35 AM, "Joseph P. Carroll" <carroll@alum.mit.edu> wrote:

Dear Larry,

I'll be back in New York next Sunday, October 8th. I'd like to get together with you before you return the two consigned Stuart Davis paintings. Are you available 8:00-8:15 Monday, or is the gallery closed for Columbus Day?

I have a client who would be interested in one Gorky PIRATEs and the Hartley LEATHERY LEAVES. What if anything is possible: trade or consignment for 7-10 days?

Hope all is well.

Warm regards
Joe

Melissa Gastgaber
Assistant to Larry Salander
Salander O'Reilly Galleries
22 East 71st Street
New York, NY 10021
212-879-6606
212-400-4488 (fax)
melissag@salander.com

www.salander.com

Begin forwarded message:

From: Joseph P. Carroll <carroll@alum.mit.edu>
Date: October 2, 2006 3:35:54 AM EDT
To: Melissa Gastgaber <melissag@salander.com>
Subject: For Larry Salander

Dear Larry,

C226

I'll be back in New York next Sunday, October 8th. I'd like to get together with you before you return the two consigned Stuart Davis paintings. Are you available 8:00-8:15 Monday, or is the gallery closed for Columbus Day?

I have a client who would be interested in one Gorky PIRATEs and the Hartley LEATHERY LEAVES. What if anything is possible: trade or consignment for 7-10 days?

Hope all is well.

Warm regards
Joe

Begin forwarded message:

From: "William H. Greilsheimer" <whg@greils.com>
Date: September 25, 2006 3:00:09 PM EDT
To: "ROB WEISS" <RWEISS@mclaughlinstern.com>, <rwonnerberger@goodwin.com>
Cc: "Joseph P. Carroll" <carroll@alum.mit.edu>
Subject: Salander

It appears that Joe Carroll left for Paris without signing the letter relating to consignments. However, he did release the works to the Salander-O'Reilly Galleries on Friday and I understand that the Gallery has the works. Apparently, he expected to receive an original consignment letter to sign and to mail.

Joseph P. Carroll, Ltd. has appointed me an authorized signatory for the purpose of signing the letter. I propose to sign on behalf the corporation and to fax and to mail a copy to each of you. This will be followed by a copy signed by Mr. Carroll when he returns to NY. I expect that will be by Oct 10.

As the letter contains only representations from Carroll which have been satisfied (except for the timely signing and mailing), I would appreciate your both confirming that this will be satisfactory.

Please let me know as soon as possible.

*****NOTE*****

Any U.S. federal tax advice included in this communication was not intended or written to be used, and cannot be used, for the purpose of avoiding U.S. federal tax penalties.

The information contained in this email message is intended only for use of the individual or entity named above. If the reader of this message is not the intended recipient, or the employee or agent responsible to deliver it to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please immediately notify us by telephone (212-983-3710), and destroy the original message. Thank you.

C227

Begin forwarded message:

From: "William H. Greilsheimer" <whg@greils.com>
Date: September 25, 2006 3:25:40 PM EDT
To: "Wonneberger, Robert" <RWonneberger@Goodwin.com>
Cc: "ROB WEISS" <RWEISS@mclaughlinstern.com>
Subject: RE: Salander

Thank you

-----Original Message-----

From: Wonneberger, Robert [mailto:RWonneberger@Goodwin.com]
Sent: Monday, September 25, 2006 3:24 PM
To: William H. Greilsheimer; ROB WEISS
Subject: RE: Salander

I have communicated with First Republic and this will be satisfactory to the Bank. Bob

Robert M. Wonneberger
Shipman & Goodwin LLP
300 Atlantic Street, Third Floor
Stamford, CT 06901-3522
Direct: (203) 324-8163
Fax: (203) 324-8199
Email: rwonnerger@goodwin.com
www.shipmangoodwin.com

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A FORMAL
LEGAL OPINION

-----Original Message-----

From: William H. Greilsheimer [mailto:whg@greils.com]
Sent: Monday, September 25, 2006 3:00 PM
To: 'ROB WEISS'; Wonneberger, Robert
Cc: 'Joseph P. Carroll'
Subject: Salander

It appears that Joe Carroll left for Paris without signing the letter

C228

relating to consignments. However, he did release the works to the Salander-O'Reilly Galleries on Friday and I understand that the Gallery has the works. Apparently, he expected to receive an original consignment letter to sign and to mail.

Joseph P. Carroll, Ltd. has appointed me an authorized signatory for the purpose of signing the letter. I propose to sign on behalf the corporation and to fax and to mail a copy to each of you. This will be followed by a copy signed by Mr. Carroll when he returns to NY. I expect that will be by Oct 10.

As the letter contains only representations from Carroll which have been satisfied (except for the timely signing and mailing), I would appreciate your both confirming that this will be satisfactory.

Please let me know as soon as possible.

*****NOTE*****

Any U.S. federal tax advice included in this communication was not intended or written to be used, and cannot be used, for the purpose of avoiding U.S. federal tax penalties.

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C229

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From: Wonneberger, Robert [mailto:RWonneberger@Goodwin.com]
Sent: Friday, September 22, 2006 11:44 AM
To: whg@greils.com
Cc: ROB WEISS; DePersis, Laura
Subject: First Republic Bank/Salander-O'Reilly Galleries LLC/Joseph P.
Carroll, Ltd.
Importance: High

Robert M. Wonneberger
Shipman & Goodwin LLP
300 Atlantic Street, Third Floor
Stamford, CT 06901-3522
Direct: (203) 324-8163
Fax: (203) 324-8199
Email: rwonnerger@goodwin.com
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C231

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C232

JOSEPH P. CARROLL LTD.
PO Box 111, Lenox Hill Station, New York, NY 10021
Tel: 212-688-1494 e-mail: carroll@alum.mit.edu

PURCHASE AGREEMENT

22 May 2006

Mr. Lawrence B. Salander
22 East 71 Street
New York NY 10021

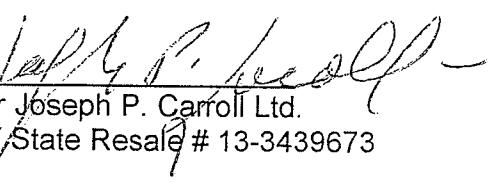
SALANDER -O'REILLY GALLERIES LLC
22 East 71 Street
New York NY 10021

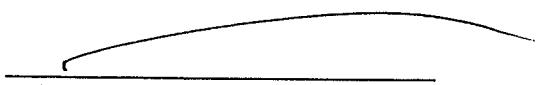
For full title, free and clear, to the following work(s) of art:

Stuart Davis, 1892-1964
DRAWING FOR FORM STUDY, 1927
Pencil and red and green crayon (grid) on paper, 18 1/4 x 15 1/2 in. SOR# 4554

TOTAL AMOUNT DUE: \$20,000 (PAID-CITIBANK #1636)

Terms of Sale: 1. All risks of loss of the object(s) described above shall pass upon delivery to the address specified. 2. This agreement is governed by the law of the State of New York applicable to contracts made and performed solely in such state. Any controversy or claim arising out of or relating to this agreement, or the breach hereof, shall be settled by arbitration in New York City, administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules then in effect. The arbitrator(s) shall award to the prevailing party, as determined by the arbitrator(s), all of its costs and fees of enforcing this agreement and any award, including, without limitation, the expenses of arbitration and judicial proceedings, arbitrators' fees, attorneys' fees, other collection expenses, and other out-of-pocket expenses such as copying, telephone, travel expenses, court costs, and witness fees. The costs, fees and expenses of enforcing each arbitration award and any related judgment may be awarded in the same arbitration or in subsequent arbitrations and judicial proceedings. Judgment upon each arbitration award may be entered in any court having jurisdiction thereof. The parties jointly and severally hereby represent and warrant that they are each solvent, able to pay their debts as they come due, not contemplating any insolvency proceedings, that the value of their assets exceeds the amount of their liabilities, and agree to the above as evidenced by their separate signatures below.


For Joseph P. Carroll Ltd.
NY State Resale # 13-3439673


For Mr. Lawrence B. Salander


For Salander-O'Reilly Galleries LLC
NY State Resale # 13-3803-733

JOSEPH P. CARROLL LTD.
PO Box 111, Lenox Hill, New York, NY 10021
Tel/Fax: (212) 688-1494 e-mail: carroll@alum.mit.edu

SUMMARY EXCHANGE AGREEMENT

Mr. Lawrence B. Salander
22 East 71 Street
New York NY 10021

22 May 2006

Salander -O'Reilly Galleries LLC
22 East 71 Street
New York NY 10021

For \$1,465,000 (**PAID**) plus full title, free and clear, the following four (4) works (**DELIVERED**) owned by Joseph P. Carroll Ltd.:

Gerald Murphy 1888-1964, UNTITLED (YELLOW ROSE), c. 1925-1926
Watercolor and pencil on paper, 13 1/2 x 9 1/2 in.

Albert Pinkham Ryder, 1847-1917, HOMeward AT TWILIGHT
Oil on canvas laid down on panel, 8 x 10 in.

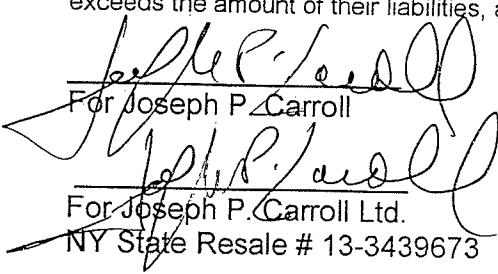
Marsden Hartley, 1877-1943
STILL LIFE: LEATHERY LEAVES, c 1920, Oil on board, 25 1/2 x 21 1/2 in

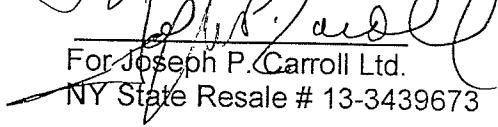
CYNICAL BLUE AND JOVIAL BROWN, DOGTOWN, 1931 , Oil on board, 18 x 24 inches

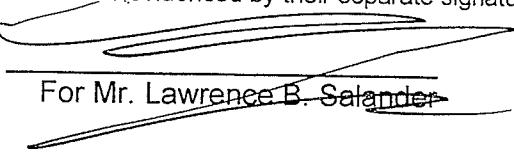
Exchanged for \$300,000 (**PAID**) plus full title, free and clear, to the following forty (40) work(s) in the attached Schedule A (**DELIVERED**) sold by Salander-O'Reilly Galleries LLC.

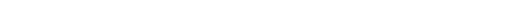
Guarantee: The parties guarantee the authenticity of the object(s) described above and, in the event such work(s) prove not to be authentic as so described, will accept the return of the work(s) and return the proceeds in full.

Terms of Sale: 1. All risks of loss of the object(s) described above shall pass upon delivery to the address specified. Financing statements may be filed. 2. This agreement is governed by the law of the State of New York applicable to contracts made and performed solely in such state. Any controversy or claim arising out of or relating to this agreement, or the breach hereof, shall be settled by arbitration in New York City, administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules then in effect. The arbitrator(s) shall award to the prevailing party, as determined by the arbitrator(s), all of its costs and fees of enforcing this agreement and any award, including, without limitation, the expenses of arbitration and judicial proceedings, arbitrators' fees, attorneys' fees, other collection expenses, and other out-of-pocket expenses such as copying, telephone, travel expenses, court costs, and witness fees. The costs, fees and expenses of enforcing each arbitration award and any related judgment may be awarded in the same arbitration or in subsequent arbitrations and judicial proceedings. Judgment upon each arbitration award may be entered in any court having jurisdiction thereof. The parties jointly and severally hereby represent and warrant that they are each solvent, able to pay their debts as they come due, not contemplating any insolvency proceedings, that the value of their assets exceeds the amount of their liabilities, and agree to the above as evidenced by their separate signatures below.


For Joseph P. Carroll


For Joseph P. Carroll Ltd.
NY State Resale # 13-3439673


For Mr. Lawrence B. Salander


For Salander-O'Reilly Galleries LLC
NY State Resale # 13-3803-733

Schedule A

~~CONFIDENTIAL~~

Milton Avery

CONVERSATION ON THE ROCKS, 1944 - SOR#26490
 Gouache and watercolor on paper, 21 1/4 x 29 3/4 in.

MORNING WORKOUT, 1955 - SOR#26489
 Gouache and watercolor on paper, 22 3/4 x 30 7/8 in.

PALM MOON (STARRY NIGHT) - SOR#26491, 1959, Oil on canvas board, 16 1/8 x 20 in.

Patrick Henry Bruce, 1881-1936

✓ LANDSCAPE, 1910 - SOR#19616, Oil on canvas, 24 x 18 1/4 in.

✓ Patrick Henry Bruce, 1881-1936

LANDSCAPE NEAR SAINTES, c. Summer 1911 - SOR#19914, Oil on canvas, 21 1/2 x 18 in.

✓ Patrick Henry Bruce

OLD GATE NEAR SAINTES, c. 1911 - SOR#19916, Oil on canvas, 24 1/8 X 18 1/8 in.

Ralston Crawford, 1906-1978

✓ BOX CAR, 1941 - SOR#25516, Oil on canvas, 16 x 22 in.

✓ STILL LIFE ON DOUGH TABLE, 1932 - SOR#18753, Oil on canvas,, 20 X 18 in.

✓ LIFEBOAT DAVIT, 1940 - SOR#18787, Oil on canvas, 40 1/8 X 32 1/8 in.

✓ SHIP'S BOW c. 1938 - SOR#18785, Oil on canvas, 30 X 26 in.

✓ UNTITLED BLUE AND WHITE, 1950 - SOR#20099, Oil on canvas, 25 1/8 X 20 1/8 in.

✓ TURBINE SHAFTS, COULEE DAM 1970 - SOR#18922, Oil on canvas, 22 X 16 in.

Stuart Davis, 1892-1964

✓ TEN POUND ISLAND, 1917 - SOR #5204. Oil on canvas, 23 x 19 in.

✓ TOBACCO FIELDS, TIoga, PA, 1919 - SOR#5316, Oil on canvas, 23 3/4 x 29 3/4 in.

✓ ABSTRACTION, c.1922-1923 - SOR#3345, Oil on canvas, 32 x 22 in.

STUDY FOR MATCHES, 1927 - SOR#4554, Pencil on paper, 18 1/4 x 15 1/2 in.

STUDY FOR PERCOLATOR, 1927 - SOR#4631, Pencil on paper, 18 1/2 x 14 3/4 in.

STUDY FOR EGG BEATER NO. 1, 1927 - SOR#24841, Pencil on paper, 14 3/8 x 18 in.

✓ DRAWING FOR TOWN SQUARE, c.1940 - SOR#10834, Ink on paper, 24 1/2 x 30 1/2 in.



/ GRAVEYARD ON THE DUNES-PROVINCETOWN, 1913 - SOR#5316, Oil on canvas, 38 X 30 1/4 in.

✓ DRAWING FOR PENNSYLVANIA, c. 1946 - SOR#4501, Pencil on paper, 16 1/2 x 14 3/4 in.

✓ RYTHM (sic), 1947 - SOR#4555, Pencil on paper, 11 1/4 x 14 1/2 in.

✓ BLACK AND WHITE VARIATION ON POCHADE I (ELITE #6), c.1956-58 - SOR#3346
Casein on canvas, 45 x 56 in.
(Salander-O'Reilly Stuart Davis BLACK AND WHITE catalogue plate seven {#6})

✓ BLACK AND WHITE VARIATION ON POCHADE II (ELITE #7), c.1956/1958 - SOR#25091
Casein on canvas, 45 x 56 in.
(Salander-O'Reilly Stuart Davis BLACK AND WHITE catalogue plate seven {#7})

Suzy Frelinghuysen, 1911- 1988

✓ CUBIST STILL LIFE, c. 1945 - SOR#13243, Oil and collage on board, 9 x 13 in.

✓ WHITE OVAL, 1949 - SOR#25083, Oil on canvas laid down on board, 43 x 34 in.

✓ UNTITLED, c.1950's - SOR#21897, Mixed media on board, 28 3/4 X 13 1/4 in.

Arnold Friedman

✓ LANDSCAPE WITH TREES, c. 1942-1946 , OIL ON CANVAS, 24 X 20 IN. IN. - SOR#14619

✓ TREE STUMPS, c. 1944-1945 , OIL ON CANVAS, 25 X 30 IN. - SOR#4586

✓ Roger Elliot Fry, 1866 - 1934, STILL LIFE WITH SKULL - SOR #A024401
Watercolor on paper, 10 1/2 x 13 1/2 inches

✓ Paul Kelpe, 1902-1985, COMPOSITION #127, 1927 - SOR#25846
Oil on canvas, 19 7/8 x 35 1/2 in.

✓ Edward Middleton Manigault, 1887-1922, ABSTRACT IN GREEN, 1918 - SOR#7383
Oil on canvas, 30 x 25 inches

Alfred Henry Maurer, 1868 - 1932

✓ STILL LIFE WITH PEARS, c. 1925 SOR#26327
Oil on board, 21 x 17 1/2 in., Signed lower left: "A. H. Maurer"

CUBIST STILL LIFE, c. 1928/ 1930 - SOR#26328

Oil on board, 21 x 17 1/2 in., Signed lower left: "A. H. Maurer"

George L.K. Morris, 1905-1975

✓ CONCRETION, 1938 - SOR#12202, Oil on canvas, 20 x 14 in.

✓ UNTITLED, c. 1937 - SOR#21883, Oil on board, 15 3/4 x 11 3/4 in.

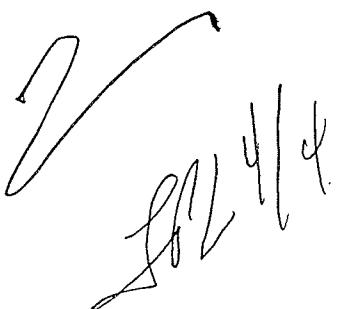
✓ GROUND-TENSION, 1948 - SOR#12212, Oil with sand on canvas, 28 x 19 in.

✓ CENTRIFUGAL COMPOSITION, 1958 - SOR #12067, Gouache and collage, 15 3/4 x 20 in.

✓ Morgan Russell, 1886-1953, DOUBLE-SIDED PAINTING - SOR#A023759
recto: PORTRAIT OF CEZANNE C. 1912, Oil on board, 15 3/3 x 13 7/8 in.
verso: STILL LIFE C 1912

✓ John Sloan, 1871-1951 - SOR#24919
NEW ENGLAND LANDSCAPE, c. 1915, Oil on canvas, 20 x 24 inches

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A handwritten signature consisting of several fluid, cursive strokes, likely belonging to the artist or a collector.